

# Audit or Review - Testing Heading wise Checkpoints Report

**Client Name:** BRAHMIS INDUSTRIES PRIVATE LIMITED  
**Audit No:** BRA25-7 - Audit Program - Balance Sheet Items

| SI No | Heading                         | Check Point   | Assertions  | Workpaper Ref/Index  |
|-------|---------------------------------|---|---|--|
| 1     | Audit Program - Tangible Assets | EXAMINATION OF RECORDS: a) Check opening balances of the existing Property, Plant and Equipment from records such as the schedule of Property, Plant and Equipment, ledger or register balances. b) Verify acquisition of new Property, Plant and Equipment and improvements in the existing ones with reference to supporting documents such as orders, invoices, reports and title deeds. c) Check self-constructed Property, Plant and Equipment, improvements and capital work-in-progress with reference to the supporting documents such as contractors' bills, workorder records and independent confirmation of the work performed. d) Scrutinise expense accounts (e.g., Repairs and Renewals) to ascertain that new capital assets and improvements on existing ones have not been included therein. e) Examine whether low value Property, Plant and Equipment have been written off or fully depreciated in the year of acquisition / construction in accordance with applicable regulatory requirements. f) Whether the entity has maintained proper records showing full particulars including quantitative details and situation of its Property, Plant and Equipment. g) In respect of Property, Plant and Equipment retired i.e., destroyed, scrapped or sold. | Mandatory: No<br>Test Result: Yes<br>Annexure: No | Workpaper Ref: Fixed assets (crane)<br>Comments: Remarks<br>By: Admin<br>On: 01/07/2026 16:44:42 |
| 2     | Audit Program - Inventories     | ANALYTICAL REVIEW PROCEDURES: a)  | Mandatory: No<br>Test Result: Yes                 | Workpaper Ref: stock<br>Comments: Remarks  |

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| 2     | Audit Program - Inventories | <p>Reconcile quantities of opening stocks, purchases, production, sales and closing stocks.</p> <p>b) Compare closing stock quantities and amounts with those of the previous year. c) Compare the relationship of current year stock quantities and amounts with the current year sales and purchases, and with the corresponding figures for the previous year. d) Compare the composition of the closing stock (e.g., raw materials as a percentage of total stocks, work-in-process as a percentage of total stocks) with the corresponding figures for the previous year. e) Compare current year gross profit ratio with the gross profit ratio for the previous year. f) Compare actual stock, purchases and sales figures with the corresponding budgeted figures, if available. g) Compare yield with the corresponding figure for the previous year. h) Compare significant ratios relating to inventories with the similar ratios for other firms in the same industry, if available. i) Compare significant ratios relating to inventories with the industry norms, if available.</p> | Annexure: No                                      | By: Admin<br>On: 01/07/2026 18:07:52  |
| 3     | Audit Program - Inventories | <p><b>MANAGEMENT REPRESENTATIONS:</b> Obtain from the management of the entity, a written statement describing in detail, the location of inventories, methods and procedures of physical verification and valuation of inventories.</p>  | Mandatory: No<br>Test Result: Yes<br>Annexure: No | Workpaper Ref: stock<br>Comments: Remarks<br>By: Admin<br>On: 01/07/2026 18:07:56 |
| 4     | Audit Program - Inventories | <p><b>EXAMINATION OF VALUATION AND DISCLOSURE:</b> a) Obtain evidence that the amount at which inventories have been valued is computed on an appropriate basis.</p>  | Mandatory: No<br>Test Result: Yes<br>Annexure: No | Workpaper Ref: stock<br>Comments: Remarks<br>By: Admin<br>On: 01/07/2026 18:08:00 |

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| 4     | Audit Program - Inventories | <p>b) Ensure that the valuation of inventories is in accordance with the generally accepted accounting principles and is on the same basis as in the preceding year. c) Examine that the cost formula used reflects the fairest possible approximation to the cost incurred in bringing the items of inventory to their present location and condition. d) With regard to determination of cost, examine, inter alia, the stock sheets, records of physical verification, invoices, costing records and other relevant documents and also examine and test the treatment of overhead expenses as a part of cost of inventories. e) Where only a single or a few major products are produced, call for a reconciliation of the total cost of production for the year as determined by the cost records with the total expenses as per the financial books and review this reconciliation. f) Where standard costs are used or where overheads are charged at standard rates or percentages, examine the variances from actual and, where these are significant, ensure that appropriate adjustment is made to the inventories. g) Examine the evidence supporting the assessment of net realisable value. In this regard, particularly examine whether appropriate allowance has been made for defective, damaged and obsolete and slow-moving inventories in determining the net realizable value. h) Ensure that the inventories have been disclosed properly in the financial statements. Where the relevant statute lays down any</p> | <p>Mandatory: No<br/>Test Result: Yes<br/>Annexure: No</p> | <p>Workpaper Ref: stock<br/>Comments: Remarks<br/>By: Admin<br/>On: 01/07/2026 18:08:00</p> |

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| 4     | Audit Program - Inventories                 | <p>disclosure requirements in this regard, examine whether the same have been complied with. i) Examine whether the provisions of AS 2, ? Valuation of Inventories? have been applied for the purpose of valuation and measurement of inventories, etc.</p>  | <p>Mandatory: No<br/>Test Result: Yes<br/>Annexure: No</p> | <p>Workpaper Ref: stock<br/>Comments: Remarks<br/>By: Admin<br/>On: 01/07/2026 18:08:00</p>              |
| 5     | Audit Program - Debtors, Loans and Advances | <p><b>EXAMINATION OF RECORDS</b> a) Check the agreement of balances as shown in the schedules of debtors with those in the ledger accounts. b) Check the agreement of the total of debtor balances with the related control accounts. Examine differences, if any. c) Verify subsequent realisations even in cases where direct confirmation procedure is followed. d) In the case of significant debtors, also examine the correspondence or other documentary evidence to support their validity and accuracy. e) Examine the schedules of debtors with reference to the debtors' ledger accounts, paying special attention to the following aspects: i. Where the schedules show the age of the debts, examine whether the age of the debts has been properly determined. ii. Whether the amounts outstanding are made up of items which are not overdue, having regard to the credit terms of the entity. iii. Whether transfers from one account to another are properly evidenced. iv. Whether provisions for allowances, discounts and doubtful debts are required. v. Whether provision has been made for bad and doubtful debts in accordance with generally accepted accounting principles which the entity has followed consistently? vi.</p> | <p>Mandatory: No<br/>Test Result: Yes<br/>Annexure: No</p> | <p>Workpaper Ref: Tata service bills<br/>Comments: Remarks<br/>By: Admin<br/>On: 01/07/2026 18:09:47</p> |

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| 5     | Audit Program - Debtors, Loans and Advances | <p>In case no provision has been made where required, whether a corresponding note for such non-provision included in notes to accounts? vii. Whether such non-provision will affect the true and fair view of financial statements? Guidance: Please note that even though a debtor may have confirmed the balances due by him, he may still not pay the same. The following are some of the indications of doubtful and uncollectible debts, loans and advances:</p> <ul style="list-style-type: none"> <li>i. The terms of credit have been repeatedly ignored.</li> <li>ii. There is stagnation, or lack of healthy turnover, in the account.</li> <li>iii. Payments are being received but the balance is continuously increasing.</li> <li>iv. Payments, though being received regularly, are quite small in relation to the total outstanding balance.</li> <li>v. An old bill has been partly paid (or not paid), while later bills have been fully settled.</li> <li>vi. The cheques received from the debtor have been repeatedly dishonoured.</li> <li>vii. The debt is under litigation, arbitration, or dispute.</li> <li>viii. The auditor becomes aware of unwillingness or inability of the debtor to pay the dues e.g., a debtor has either become insolvent, or has closed down his business, or is not traceable.</li> <li>ix. Collection is barred by statute of limitation.</li> <li>f) Verify bad debts written off, excessive discounts or unusual allowances with the relevant correspondence and proper authorisation should also be inspected.</li> <li>g) In the case of claims made against insurance companies, shipping</li> </ul> | <p>Mandatory: No<br/> Test Result: Yes<br/> Annexure: No</p> | <p>Workpaper Ref: Tata service bills<br/> Comments: Remarks<br/> By: Admin<br/> On: 01/07/2026 18:09:47</p> |

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| 5     | Audit Program - Debtors, Loans and Advances | <p>companies, railways, etc., examine the correspondence or other available evidence to ascertain whether the claims have been acknowledged as debts and there is a reasonable possibility of realization.</p> <p>Guidance: If it appears that they are not collectible, they should be shown as doubtful. Similar considerations apply in respect of claims for export incentives, claims for price escalation in case of construction contracts, claims for interest on delayed payments, etc. h) Examine whether the contingent liability, if any, in respect of rejected claims, bills accepted by customers and discounted with the banks is properly disclosed. i) Examine whether adequate provision on this account has been made, where required.</p> | <p>Mandatory: No<br/>Test Result: Yes<br/>Annexure: No</p> | <p>Workpaper Ref: Tata service bills<br/>Comments: Remarks<br/>By: Admin<br/>On: 01/07/2026 18:09:47</p> |
| 6     | Audit Program - Debtors, Loans and Advances | <p>SPECIAL CONSIDERATION IN CASE OF LOANS AND ADVANCES</p> <p>Guidance: In general, the procedure outlined above with regard to debtors is also applicable in the case of loans and advances. However, in the case of loans and advances, the auditor may find greater documentary evidence (in the form of loan and security documents and related correspondence) on which he can place reliance.</p> <p>a) Examine whether the entity is empowered to make loans.</p> <p>Guidance: In many cases, the statute governing the entity may contain restrictions or conditions about the amount of loans, purposes for which loans may be granted, parties to which loans may be granted, etc. Similarly, the internal regulations of the</p>                    | <p>Mandatory: No<br/>Test Result: Yes<br/>Annexure: No</p> | <p>Workpaper Ref:<br/>Comments: Remarks<br/>By: Admin<br/>On: 01/07/2026 18:09:43</p>                    |

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| 6     | Audit Program - Debtors, Loans and Advances | <p>entity may also prescribe the procedure to be followed for making the loans. In case of Company:- i) Has the company granted any loans secured or unsecured to companies, firms, LLP's and other parties covered in the Register maintained under Section 189 of the Act? ii) Obtain a statement containing the name of the company, firm or other Party, nature of relationship, amounts and dates of loans granted, amounts and dates of loans refunded, amounts and dates of interest received, closing balance at year end, particulars of installments (amount and period outstanding for) of overdue principal and interest together with the details regarding the rate of interest, if any, and brief terms and conditions like security, repayment particulars (principal and interest) etc. iii) Examine the above statement with necessary documents and records on a reasonable test check basis. iv) Check and conclude that the rate of interest and other terms and conditions are not prima facie prejudicial to the interest of the company or otherwise by consideration of factors such as, loan agreements, borrower's financial standing, its ability to lend, nature of security, the availability of alternative sources of finance, the urgency of borrowing, purpose of the loan, prevailing market rates of interest etc. v) Check whether any repayment schedule has been prescribed and if so the same is adhered to. vi) Is any amount overdue? If yes, then whether reasonable steps are taken to recover. With regards to Compliance</p> | <p>Mandatory: No<br/>Test Result: Yes<br/>Annexure: No</p> | <p>Workpaper Ref:<br/>Comments: Remarks<br/>By: Admin<br/>On: 01/07/2026 18:09:43</p> |

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| 6     | Audit Program - Debtors, Loans and Advances | <p>with Section 185 of Companies Act 2013:- i) Obtain from the management the details of the directors or any other person/entity in whom the director is interested. Also check the details of the persons covered under this clause from the Form MBP-1 and from the Register maintained under section 189 of the Companies Act 2013. ii) Obtain and check the details of the transactions carried out with such persons, including of any guarantee given and security provided. With regards to Compliance with Section 186 of Companies Act 2013:- i) Obtain the details of loans given to any person or other body corporate, guarantee given or security provided in connection with a loan to any other body corporate or person and securities acquired of any other body corporate by way of subscription, purchase or otherwise, made during the year as well as the outstanding balances as at the beginning of the year. ii) Check whether, at any point of time during the year in case of aforesaid transactions, the company has exceeded the limit of sixty per cent of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves as defined in section 2(43) of the Companies Act and securities premium account, whichever is more. iii) If it exceeds the limits specified above, whether prior approval by means of a special resolution passed at a general meeting has been obtained. iv) Check whether the company has</p> | <p>Mandatory: No<br/>Test Result: Yes<br/>Annexure: No</p> | <p>Workpaper Ref:<br/>Comments: Remarks<br/>By: Admin<br/>On: 01/07/2026 18:09:43</p> |

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| 6     | Audit Program - Debtors, Loans and Advances | <p>disclosed the full particulars of the loan given, investment made or guarantee given or security provided in the financial statements including the purpose for which the same is proposed to be utilized by the recipient. b) Examine the loan documents and other evidence with reference to the above while determining the legality and recoverability of the loans made by the entity. c) Ascertain whether the parties to whom loans and advances have been made have complied with the terms and conditions relating to payment of interest, repayment of loans or adjustment of advances, etc. In the case of defaults, e.g., where the repayment of loans and advances or the payment of interest are overdue, consider whether such defaults are indicative of unwillingness or inability of the parties concerned to make the payment. d) Examine loans and advances given to parties in whom directors or persons who are substantial owners of the entity are interested. Ascertain the purpose of such loans and advances, the terms and conditions on which they have been made as also their recoverability. e) Examine any other aspects, required to be examined or reported upon by the relevant statute. f) Where loans have been advanced to companies (including subsidiaries) verify the financials of such companies, to ascertain that there is no negative net worth. If so, examine whether any provision/ disclosure has to be made.</p> | Mandatory: No<br>Test Result: Yes<br>Annexure: No | Workpaper Ref:<br>Comments: Remarks<br>By: Admin<br>On: 01/07/2026 18:09:43 |
| 7     | Audit Program - Debtors,                    | DISCLOSURE Ensure that  | Mandatory: No                                     | Workpaper Ref: Tata service   |

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| 7     | Loans and Advances                     | <p>debtors, loans and advances have been disclosed properly in the financial statements.</p> <p>Where the relevant statute lays down any disclosure requirements in this regard, examine whether the same have been complied with.</p>   | Test Result: Yes<br>Annexure: No                  | bills<br>Comments: Remarks<br>By: Admin<br>On: 01/07/2026 18:09:40                                     |
| 8     | Audit Program - Cash and Bank Balances | <p>VERIFICATION OF BANK BALANCES</p> <p>a) Advise the entity to send a letter to all its bankers to directly confirm the balances to the auditor. The request for confirmation should also cover dormant accounts as well as accounts closed during the year.</p> <p>b) Examine the bank reconciliation statement prepared as on the last day of the year.</p> <p>c) Examine the reconciliation statements as at other dates during the year. It should be examined whether:</p> <ul style="list-style-type: none"> <li>(i) cheques issued by the entity but not presented for payment, and</li> <li>(ii) cheques deposited for collection by the entity but not credited in the bank account, have been duly debited/credited in the subsequent period. For this purpose, examine the bank statements of the relevant period. If the cheques issued before the end of the year have not been presented within a reasonable time, it is possible that the entity might have prepared the cheques before the end of the year but not delivered them to the parties concerned. In such a case, examine whether the entity has reversed the relevant entries.</li> </ul> <p>d) If there are post dated cheques issued by the entity, verify that any cheques pertaining to the subsequent period have not been accounted for as payments during the period under audit.</p> <p>e) Pay</p> | Mandatory: No<br>Test Result: Yes<br>Annexure: No | Workpaper Ref: bank loans sanction letter<br>Comments: Remarks<br>By: Admin<br>On: 01/07/2026 18:10:27 |

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| 8     | Audit Program - Cash and Bank Balances | <p>special attention to those items in the reconciliation statements which are outstanding for an unduly long period. Ascertain the reasons for such outstanding items from the management.</p> <p>Examine whether any such items require an adjustment/write off. f) In case a large number of cheques have been issued/deposited in the last few days of the year, and a sizeable proportion of such cheques have subsequently remained unpaid/uncleared, it may be appropriate to obtain confirmations from the parties concerned, especially in respect of cheques involving large amounts. This may indicate an intention of understating creditors/ debtors or understating/ overstating bank balances.</p> <p>g) Examine whether a reversal of the relevant entries would be appropriate under the circumstances. h) In relation to balances/ deposits with specific charge on them, or those held under the requirements of any law, examine that suitable disclosures have been made in the financial statements. i) In respect of fixed deposits or any other type of deposits with banks, examine the relevant receipts/ certificates, duly supported by bank advices. j) Remittances shown as being in transit should be examined with reference to their credit in the bank in the subsequent period. k) Examine whether suitable adjustments are made in respect of cheques which have become stale as at the close of the year. l) Where material amounts are held in bank accounts which are blocked, e.g. in</p> | <p>Mandatory: No<br/>Test Result: Yes<br/>Annexure: No</p> | <p>Workpaper Ref: bank loans sanction letter<br/>Comments: Remarks<br/>By: Admin<br/>On: 01/07/2026 18:10:27</p> |

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| 8     | Audit Program - Cash and Bank Balances | <p>foreign banks with exchange control restrictions or any banks which are under moratorium or liquidation, examine whether the relevant facts have been suitably disclosed in the financial statements.</p> <p>Examine whether suitable adjustments on this account have been made in the financial statements, where required. m) If the number of bank accounts maintained by the entity is disproportionately large in relation to its size, exercise greater care about the genuineness of banking transactions and balances. n) Check for negative balances in cash during the year, if any. Find out the causes: e.g.: - Cash Invoices / vouchers booked twice: - Mismatch in date of cash withdrawal from or deposit to bank and posting to cash book: - Non-recording of cash transactions: - Others. o) Check contra entries from bank statements to cash book on test check basis using sampling technique. - Put emphasis on the dates where minimum and maximum cash balances are available. p) Are there changes in dates of cash vouchers / bills? If yes, check for the authorization and reasons for change. q) Check for system of cash maintenance at Branch of the entity. r) Are entire proceeds of cash sales deposited in the bank at regular intervals as per the policy or portion of it is retained in hand? - What are the internal controls put in place to reconcile cash balances at regular intervals?</p> | Mandatory: No<br>Test Result: Yes<br>Annexure: No | Workpaper Ref: bank loans sanction letter<br>Comments: Remarks<br>By: Admin<br>On: 01/07/2026 18:10:27 |
| 9     | Audit Program - Capital and Reserves   | EXAMINATION OF RECORDS a) Check Opening Balance of Share Capital with supporting  | Mandatory: No<br>Test Result: Yes<br>Annexure: No | Workpaper Ref:<br>Comments: Remarks<br>By: Admin<br>On: 01/07/2026 18:11:29                            |

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| 9            | Audit Program - Capital and Reserves | statutory records of shareholders / partners for fresh issue of share capital. b) Verify i. Certificates/ Acknowledgements issued ii. Bank Statements iii. Forms filed with statutory authority iv. If there is foreign remittance, check foreign inward remittance certificate for statutory purpose and also ensure compliance with FEMA, 1999 | Mandatory: No<br>Test Result: Yes<br>Annexure: No | Workpaper Ref:<br>Comments: Remarks<br>By: Admin<br>On: 01/07/2026 18:11:29 |
| 10           | Audit Program - Capital and Reserves | Verify movements of Reserves, if any.  | Mandatory: No<br>Test Result: Yes<br>Annexure: No | Workpaper Ref:<br>Comments: Remarks<br>By: Admin<br>On: 01/07/2026 18:11:34 |